WFA abroad – Guideline for Leaders

General regulations regarding working abroad

WORKING FROM ANYWHERE (WFA) outside of Germany is not permitted unless it has been specifically agreed upon in a colleagues' employment agreement. By WFA we mean working from anywhere for a certain duration, not the occasional email check or sporadic participation in an important (video) call.

The reasons for this necessarily restrictive approach are social security relevant topics and tax related aspects in the different countries. This can bear considerable risks for both our colleagues and the PAYBACK GROUP, which could lead to negative impacts on our parent company AMEX.

Exceptions that allow working abroad*

<u>Exceptions for one day</u>

- The direct leader decides whether this exception is approved or not
- The leader must ensure that approval is only for one country....
  - ... for which there is no travel restriction* AND
  - ... for which the employee has a valid work or residence permit.
- Exceptions for individual days should be occasional, no more than 5 times per year

<u>Exceptions for up to 15 working days per year</u>

- Require justification and must be approved by the direct leader and division management ("Bereichsleiter")
- Should not take place on individual days, but in blocks of weeks if possible
- Reasons for an exception approval can be:
  - There is a personal connection to a foreign country, e.g., a family visit is extended by working on site
  - There is a family emergency (illness or death of close relatives)
  - The business situation necessarily and, at short notice, unexpectedly requires working while interrupting a planned vacation abroad
- If the leader, in consultation with the division management, wishes to grant approval, he/she must ensure that....
  - ... there is no travel restriction for the country*
  - ... the employee can present a valid work or residence permit for the country
  - ... he/she has signed and kept the declaration (see below)
  - ... a message with the details is sent to the distribution list PAYBACK GROUP Payroll Team at least one week before starting the trip abroad for the final check and the issue of any necessary documents (form see below)

There is no entitlement to approval of these exceptions; the decision is up to the leader or division management. The leader is responsible for tracking and documenting the number of days.

** Work is not permitted in countries or regions for which there is a current travel warning issued by the German Foreign Office up to the time of departure. In addition, exceptions may not be granted for the following countries: Russia, Belarus, Ukraine, China, Venezuela, Cuba, Iran, North Korea and Syria.*

APPLICATION FORM for working abroad for up to 15 days per year *(to be completed by direct leader will pdf fill function)*

Name of colleague: ____

Name of direct leader: ____

Period for working abroad: from _____ to ________ (___ working days)

Country*: ____

Justification: ____

____

Approval date by direct leader: ____

Approval date by division management/CEO:

____

Forwarded to HR at: ____

** Work is not permitted in countries or regions for which there is a current [travel warning](#) issued by the German Foreign Office up to the time of departure. In addition, exceptions may not be granted for the following countries: Russia, Belarus, Ukraine, China, Venezuela, Cuba, Iran, North Korea and Syria.*

Declaration to be signed for working abroad *(always required except for individual days)*

Dear _________________,

we understand and support your desire to spend some time in _______ to be with your family during this extraordinary time. You have requested to work from __________ as well. In view of our duty of care, we agree exceptionally and only because of the present private circumstances under the following conditions:

1. You confirm that you are staying in __________ for purely private reasons in order to have time with your family, not prompted by us.
2. Working from ___________ is limited to ___ working days. After that, you will continue working in Germany or take vacation days.
3. You will make sure that you work in a safe place to avoid any risks to your health during your work. Please also note that the policy on data protection and confidentiality also applies at your workplace abroad.
4. As your stay in _________ is private, we will not reimburse you for any expenses incurred there (travel, necessary residence permits or visas, operating costs, possible medical costs, insurance coverage). We recommend that you have a private (additional) health insurance for this period.

Please confirm with your signature that you agree with the listed points and that you accept and comply with the agreement. We wish you and your family all the best!

Accepted and agreed: _________________________

Date, Signature

Validity of a granted exemption

Permission to work from abroad is granted on an exceptional and temporary basis only which is only carried out under consideration of tax and legal liability, but also in light of our duty to care as an employer. We have to ensure that our colleagues do not get into any kind of dangerous work situation that could potentially harm them in any way. We as an employer lack the ability to assess potential hazardous situations and respond accordingly in other countries. Therefore, our decision for exemption to temporarily work from abroad is always based on the assessments of the German Foreign Office. The office evaluates aspects such as riots and war as well as health risks and classifies countries according to its risks.

When granting an exemption, decisions can only be made on the basis of facts known at the time and, therefore, can only be conditionally. If the risk status of a country changes and a formerly unknown risk situation arises before the trip has started, the exemption for working from abroad loses its basis and thus its validity. If, on the other hand, the trip has already begun and the colleague has already travelled abroad at the time of a dangerous situation arising, it has become the responsibility of the travelling colleague to decide together with his or her manager whether an early departure is required or the stay can continue as planned.

For your understanding: applying for and receiving an exemption is always due to private reasons such as extending a family visit by working from there. Expenses and travel risk are always to be assumed by the travelling colleague, including any risk that may arise from an amendment in the evaluation of a country's risk by the Foreign Office.

Background and necessity of this guideline

- Tax audit frequency and complexity were already increasing before the pandemic.
- The ability to share data across government agencies increases the transparency and risk exposure across multiple factors (immigration, corporate and payroll tax, individual tax, brand).
- The pandemic has significantly drained government funds, with new unanticipated costs arising and revenue shrinking. Taxpayers can expect revenue authorities to pursue opportunities to fill these gaps.
- The taxation of non-residents (corporations and individuals) may become a popular approach for tax authorities.
- While there has been some assumed flexibility due to the pandemic, no tax laws have changed.
- Immigration and border restrictions continue to change with little or no notice as COVID-19 rates fluctuate resulting in challenges with returning to designated work countries.
- The more colleagues working abroad and the longer the stay, the higher the overall cumulative risk.
- As an U.S.-based group, our parent company American Express is subject to restrictions imposed by U.S. regulatory authorities. Their compliance is mandatory for all related companies worldwide.